

# **Exhibit 18**



MILLENNIUM  
ENTERTAINMENT

**Presentation to Lenders**  
**\$40,000,000 Senior Secured Credit Facilities**



# Agenda

Transaction Overview

Company Overview

New Content Strategy

Facilities Overview

Financial Model

Transaction Timeline

Appendix



# Important Disclosures

The information contained herein has been prepared to assist interested parties in making their own evaluation of Millennium Entertainment or the Senior Secured Credit Facilities and does not purport to be all-inclusive or to contain all of the information that a prospective participant may desire to achieve such evaluation. Each recipient of the information and data contained herein should perform its own independent investigation and analysis of the transaction and the creditworthiness of Millennium Entertainment. This information and data are not a substitute for the recipient's independent evaluation and analysis.

This Lenders' Presentation also includes forward-looking statements about future events. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will," and similar expressions identify forward-looking statements which generally are not historical in nature. Such forward-looking statements reflect various assumptions concerning anticipated results. No representations or warranties are made as to the accuracy of such statements, estimates or projections or with respect to any other materials contained herein. Statements contained in this Lenders' Presentation describing documents and agreements are summaries only and such summaries are qualified in their entirety by reference to such documents and agreements.

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# Introduction

- In May of 2014, Virgo Investment Group, LLC. (“Virgo” or the “Sponsor”) signed a letter of intent to acquire 100% of the equity interests in Millennium Entertainment, LLC. (“Millennium”, “Millennium Entertainment” or the “Company”) for purchase price of \$41.0 million
  - Virgo plans to complete the acquisition in August 2014
- Millennium Entertainment, founded in 2010, is one of the industry’s largest independent domestic distribution companies with a valuable library of over 600 owned titles
  - Headquartered in Los Angeles, CA, Millennium boasts a team of 60 experienced media and entertainment professionals managing all aspects of the acquisition and film distribution process
  - Virgo believes Millennium is well positioned due to its strong industry knowledge and deep relationships, Millennium is well positioned to integrate new acquisition targets and pursue organic growth initiatives through continued investment in new content
  - The existing management team will continue to lead the Company following the acquisition while the partners of Virgo will operate at the board level, seeking to expand the business through strategic acquisitions and leveraging its decades of experience in entertainment and growth companies
- SunTrust Robinson Humphrey (“STRH”) has been engaged to arrange and syndicate \$40 million of new senior secured credit facilities to help finance the acquisition of Millennium Entertainment by Virgo as well as to finance the Company’s investment in new content and general working capital requirements
  - The senior secured credit facilities will consist of a \$20 million 4-year Revolving Credit Facility ( “Revolver”) and a \$20 million 4-year Term Loan (“Term Loan”) (collectively the “Credit Facilities”)
  - SunTrust committed \$20 million to the facilities and is seeking \$20 million in participant commitments
- The transaction is structured as risk mitigating asset backed facilities and will include a full covenant structure inclusive of a borrowing base governing total outstandings
  - Borrowing base calculation to limit total leverage and will be comprised of receivables from strong obligors and an independently appraised library valuation which will be updated on an annual basis
  - Mandatory amortization and 50% excess cash flow sweeps on the term loan



# Transaction Summary

- SunTrust Robinson Humphrey is seeking to arrange \$40.0 million of new senior secured credit facilities to support the acquisition of Millennium Entertainment
  - In connection with the transaction, Virgo is contributing \$22.4 million of cash equity at close, with an additional \$5.0 million of non-contingent payments through 2017, representing a 66.8% equity contribution percentage to enterprise value
  - The Credit Facilities will be conservatively leveraged through a strong borrowing base primarily comprised of receivables from credit worthy obligors
  - The \$41.0 million purchase price includes \$36.0 million cash at close with the remaining \$5.0 million paid by Virgo through 2017

(\$ in millions)

Sources		Uses	
New Revolver	\$7.9	Equity Purchase Price	\$41.0
Term Loan	20.0	Refinance Existing Debt	12.3
Virgo Equity Contribution	22.4	Estimated Fees and Expenses	2.0
Seller Note	5.0		
<b>Total Sources</b>	<b>\$55.3</b>	<b>Total Uses</b>	<b>\$55.3</b>

## Borrowing Base Summary as of 6/30/2014

Category	Gross Amount	Advance Rate	Net Amount <sup>(1)</sup>
Primary Major A/R	\$17,640,047	95.0%	\$11,620,838
Secondary Major A/R	6,446,266	90.0%	4,187,762
Non-Major A/R	6,924,207	80.0%	3,479,645
Minor A/R	986,403	50.0%	302,732
Netflix Contract	5,967,391	95.0%	4,245,570
Eligible Library Amount	23,500,000	40.0%	9,400,000
Theatrical Rentals	1,260,339	80.0%	957,858
<b>Total Borrowing Base</b>			<b>\$34,194,405</b>
Outstanding Debt			Amount at Close
Term Loan			\$20,000,000
Revolver			7,929,305
<b>Total Outstanding Debt</b>			<b>27,929,305</b>
<b>Excess Borrowing Base Capacity</b>			<b>\$6,265,100</b>

<sup>(1)</sup> Net Amount includes reserves for returns, participations and residuals, and minimum P&A spend for Netflix pre-buys



# Millennium Entertainment Management Team

## Industry Relationships



## Management Team Experience

### Bill Lee, CEO

Bill Lee's 39 years of experience as a senior executive across multiple retail platforms has brought dynamic leadership to Millennium and to the executive team he has assembled. He joined the Company in 2010, having been EVP, Chief Merchandising Officer at Blockbuster, where he was an integral part of the company's brand vitalization and reorganization strategies. Prior thereto, he was President and a Board Member of Mosaic Sales Solutions. At Mosaic, Mr. Lee initiated relationships with 23 studios, including such major studios as Fox, Disney and Warner Bros. Under his direction, Mosaic established a lucrative ten-year partnership with Best Buy and seven-year partnership with Walmart. Mr. Lee began his career at Bloomingdales and held senior positions at Limited Stores (EVP) and The Children's Place (President).

### Tony Korkunis, EVP Operations

Tony Korkunis manages operations for Millennium. Prior to Millennium, Mr. Korkunis was SVP, Retail Operations at Twentieth Century Fox Home Entertainment. During his tenure there, he supported growth by developing a manufacturing and distribution facility in Alabama and drove growth by opening Category Management offices adjacent to Walmart and Target. Mr. Korkunis led the redesign of retail space for Walmart and Best Buy that resulted in 11% retail sales growth and the innovation of various fixture concepts that resulted in sales growth from 15% to 40%. Prior to Fox, Mr. Korkunis was a Senior Sales Consultant at i2 Technologies, Inc. and Director of Operations at Buena Vista Home Entertainment, a division of Disney.

### John Avagliano, CFO

Mr. Avagliano joined Millennium Entertainment in June 2013. In 2010 Mr. Avagliano was appointed as Image Entertainment's Chief Operating Officer and Chief Financial Officer. Immediately prior to Image, Mr. Avagliano was Managing Director of Britannia Holdings, providing strategic and financial management services to the film, music, video and apparel industries. Current clients of Britannia Holdings include Live Nation Entertainment, Ticketmaster Entertainment, Frontline Management, Palm Pictures (integrated film and music company founded by Chris Blackwell -former Chairman of Island Records), CAK Entertainment (a joint venture music publishing company funded by GTCR, a private equity firm based in Chicago), Menichetti, Ltd. (a high-end apparel manufacturer/distributor), Pacific Connections, Inc. (a mass market apparel and accessory distributor) and DIC Entertainment. From 1999 to 2005 Mr. Avagliano worked in various positions for Time Warner Inc. From 2002 to 2005, Mr. Avagliano worked for Warner Music Group as SVP of Financial Operations, where he was responsible for financial oversight of the global manufacturing, distribution and print businesses, worldwide financial planning and analysis, U.S. advertising procurement, real estate management, office services support and U.S. purchasing activities. From 1999 to 2001, Mr. Avagliano was CFO of Warner Brothers Home Video, the leading global manufacturer and distributor of DVD and VHS product.

### Brooke Ford, EVP Marketing

Brooke Ford is the Executive Vice President of Marketing for Millennium Entertainment. She is responsible for all aspects of marketing for Millennium's slate of theatrical and home entertainment releases. Ford's recent previous releases at Millennium Entertainment include Richard Linklater's *Bernie*, starring Jack Black, Shirley MaLaine and Matthew McConaughey, which grossed over \$9million theatrically, was nominated for Best Feature at the Independent Spirit Awards, was named a Top Ten Independent Film of 2012 by the National Board of Review and earned Jack Black a Golden Globe nomination. Prior to First Look Studios, Ford served as an Executive Director of Marketing at 20th Century Fox, where she worked on blockbuster hits like *Mr. & Mrs. Smith*, *Man on Fire*, *Hide and Seek* and *Walk the Line*. Previously, Ford was Vice President of Marketing at Paramount Classics, the specialty film division of Paramount Pictures, where she worked on 8-10 releases per year.



# Virgo Investment Group, LLC.

## Virgo Overview

Virgo Investment Group is an opportunistic, private investment firm founded in 2009. Virgo's strategy combines investments in both special situations and credit opportunities. The firm invests across the capital structure in industries such as aviation and niche industrials, media and entertainment, specialty finance (includes real estate), energy and healthcare. Virgo provides creative financing solutions to public and private companies and seeks to build long-term relationships with entrepreneurs, family-owned companies and management teams. The Virgo team executes this vision through a combination of industry expertise, fundamental research, investment structuring creativity and relationship based sourcing.



## Virgo Investment Team

### Jesse Watson: Founder, Chief Investment Officer, Partner

Jesse is the Managing Partner and Chief Investment Officer at Virgo with lead responsibility for the day-to-day operations of Virgo and the Fund, the sourcing and investment process, portfolio construction and investor relationships. Prior to Virgo, Jesse was a senior investment professional at Eton Park Capital Management where he focused on credit, distressed, special situations and asset-based investing. Jesse joined Eton Park through a merger with R6 Capital Management, where he was a co-founder, partner and portfolio manager with responsibilities which included portfolio construction and hedging, management of the investment process and firm strategy. Prior to joining R6 Capital, Jesse was a senior investment professional at Silver Point Capital. Jesse worked on both the public trading desk and assisted in the build out of the firm's middle-market, private investment business, where he worked with several Virgo team members. Prior to Silver Point, Jesse was an Associate with Clayton, Dubilier and Rice (CD&R) and an Analyst with Morgan Stanley Capital Partners, the leveraged buyout principal investment division of Morgan Stanley. Jesse earned his BA from the Johns Hopkins University with highest honors, graduating at the top of his class with Phi Beta Kappa distinction. Jesse also studied at the Paul H. Nitze School of Advanced International Studies and was a guest of the Japanese Ministry of Finance in Tokyo for a seminar on fiscal and monetary policy where he published a conference paper on private equity in Japan. Jesse is a member of the Virgo investment committee.

### Chris MacDonald: Partner

Chris has over twenty years of experience in the private credit markets and special situations investing. Prior to joining Virgo, Chris was a Co-Head of the Principal Finance Group at Silver Point Capital, where he worked with several Virgo team members. Over a five year period with Silver Point, Chris helped build an investment portfolio of over \$3.5 billion and managed over 50 people in five offices across the United States. Chris headed the firm's Originations team and served on the firm's deal review committee. Prior to joining Silver Point, Chris spent eight years at Wells Fargo Foothill, where he started their New York office in 1996 and ran originations offices in Chicago and Boston. Prior to Wells Fargo, Chris held various roles over a six year period with the Financial Restructuring Group of CIT Business Credit in New York. Chris earned his BS from Georgetown University in Washington, DC. Chris is a member of the Virgo investment committee.

### Mack McNair: Partner

Mack has over twenty years of experience in the private credit markets and special situations investing. Prior to joining Virgo, Mack was responsible for investment activities ranging from senior debt through structured equity for the Principal Finance Group at Silver Point Capital, where he worked with several Virgo team members. At Silver Point, Mack led the private-side investing business for the Southeast and Mid-Atlantic regions. Prior to joining Silver Point, he was a Senior Managing Director at CIT, leading the firm's national Special Situations coverage team. Mack previously worked in Wachovia's Corporate Banking Group, where he originated, underwrote and managed middle-market bank debt and related products. Mack earned his BS in finance from Florida State University and is a former board member of the Atlanta TMA and the Charlotte Association for Corporate Growth. Mack is a member of the Virgo investment committee.

### Mark Perez: Partner

Mark has over ten years of experience in various financial, operational, and regulatory roles within the chemicals, energy/materials and industrial sectors. Prior to joining Virgo, Mark worked in the investment banking division at Goldman Sachs in New York. He was a member of the firm's Global Natural Resources group with an emphasis on the chemicals and metals & mining sectors. Prior to joining Goldman Sachs, Mark was a Strategic Marketing Manager at ChemPoint, the start-up specialty chemical distribution subsidiary of Univar USA. Mark also spent three years with the U.S. Environmental Protection Agency as an assistant project manager within the Office of Science and Technology, focused on the pulp and paper industry. Mark earned his BS in chemical engineering from the Johns Hopkins University and received an MBA with finance specialization from New York University's Leonard N. Stern School of Business, graduating with honors as a Stern Scholar. Mark is a member of the Virgo investment committee.





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# Business Overview

**Millennium Entertainment is an independent distribution Company with an efficient and scalable operating structure**

- Millennium Entertainment controls a film library of stable and predictable cash flows with near term contracted values
- The Company maintains strong producer relationships and has access to high quality filmed entertainment content
- Through its relationships with the industry's top independent producers, the Company has access to studio level content with top tier talent associated with upcoming projects
- Risk mitigating strategies minimizes Millennium's downside and allows the Company to invest in a portfolio of filmed entertainment content
- Established distribution network and key retail relationships provide the Company with strong access to consumers and an avenue for future growth

**Over 1,200 feature film, TV episode and documentary titles distributed by Millennium Entertainment**



# Key Business Highlights

## Well Positioned for Future Growth

### High Quality Film Library

- Star driven content of 600+ titles creates strong demand through multiple distribution platforms
- Upcoming release slates include wider releases titles with commercially viable content and the ability to create further growth through traditional television distribution windows

### Flexible Operating Structure

- Scalable acquisition and distribution platform offers the ability to continue increasing the number and profile of titles distributed
- Ability to customize and program high quality product offerings for each retailer and platform

### High Margin MMS Business with Low Capital Requirements

- MMS business creates leverage with retailers to generate steady fee income as an aggregator of third party product. Administers 28 distribution agreements covering over 600 titles including offerings from PBS (Downton Abbey) and Dreamworks Animation (Shrek Christmas)
- Well-positioned aggregators provided with further growth opportunities with retailers as brick and mortar's seek to outsource services

### Strength in High Growth Digital Distribution

- Digital media, accounting for 21% of 2013 Revenue, is the fastest growing segment of the industry and is conservatively projected to grow 8.7% per year from 2012 through 2017
- Millennium operates free of the legacy windowing constraints of major studios and is thus able to maximize digital revenue in as creative and nimble a way as possible

### Strong Distribution Relationships

- Providing retailers and digital platforms a consistent flow of high quality commercial feature film titles, merchandising expertise and excellent distribution execution
- Provides direct access to major retailers and digital platforms as an aggregator and category manager, allowing for superior product placement and distribution

## Key Facts

- 2013 Revenue  
✓ \$56.4 million
- 2013 EBITDA  
✓ \$10.0 million
- Film Library  
✓ Over 600 titles
- Theatrically Released Films  
✓ 12 titles in 2013
- Corporate  
✓ 60 employees  
✓ Headquartered in Los Angeles, CA
- Distribution Relationships  
✓ Target  
✓ Netflix  
✓ Dish Network  
✓ Best Buy  
✓ Starz
- Upcoming Theatrical Films  
✓ 2014: 18 films  
✓ 2015: 14 films  
✓ 2016: 17 films

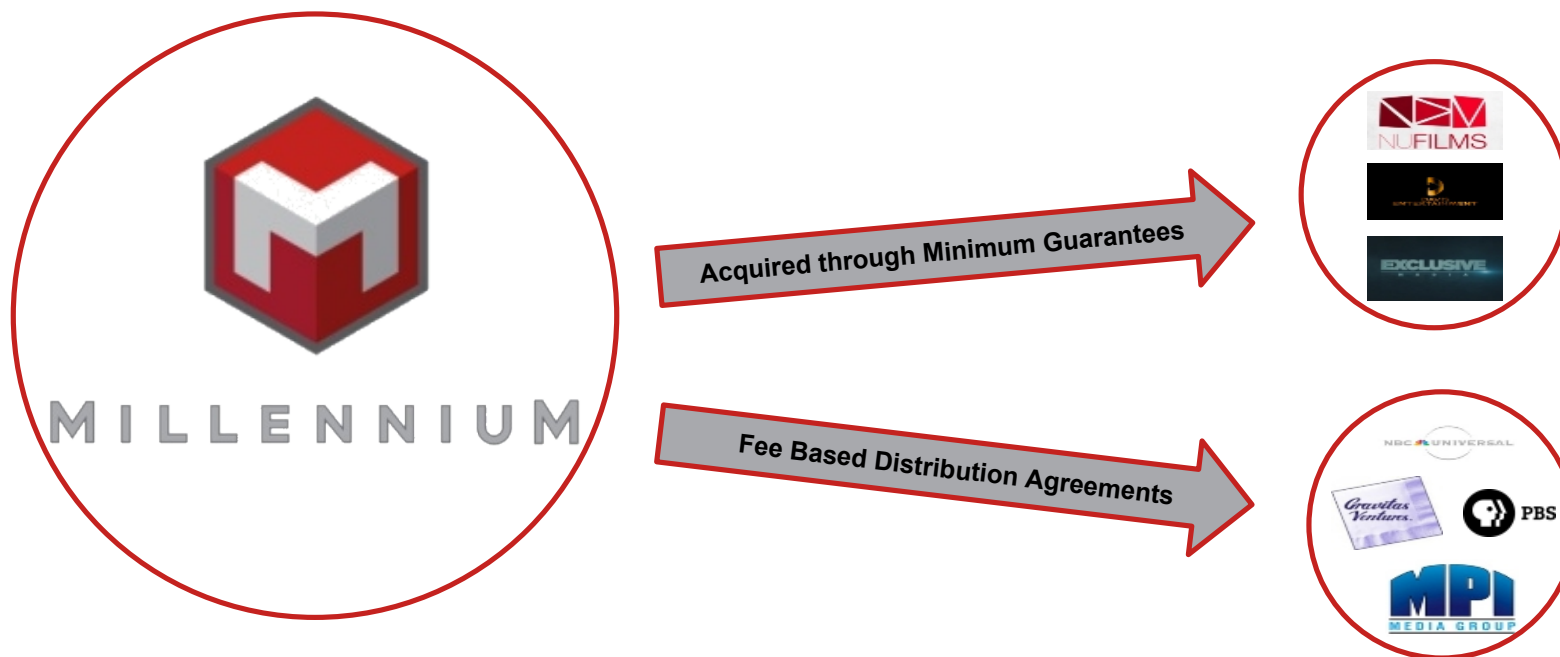


# Exclusive Access to Content

## Millennium Entertainment has exclusive access to top-tier independently produced content

- New release titles acquired from the industry's leading independent producers, often through a minimum guarantee structure
- Existing first look agreement with Nu-Image films through 2018
- As an aggregator of filmed entertainment content, content owners seek to enter into distribution relationships with Millennium Entertainment due to the Company's strong presence within traditional retail outlets, digital & cable providers and broadcast partners

## Content Sourced Through Existing Producer Relationships and Output Distribution Agreements



# Distribution Strategy

## Theatrical



- Filmed entertainment content distributed directly by the Company's existing distribution network
- Films released on a platform with a scaled P&A expense investment

## SVOD / Pay TV



- Direct distribution to all major digital platforms, including Amazon, Vudu, Hulu and Netflix
- Multi-year licensing agreements with key streaming and pay TV providers

## VOD / IVOD



- Direct distribution to satellite VOD platforms and cable VOD platforms including InDemand and Vubiquity, Verizon, Dish, and AT&T
- Content available on transactional basis across the country

## Home Video



- Distributes physical media to all major retailers of DVD and Blu-Ray discs and is represented in over 25,000 storefronts nationwide
- Content aggregator for Target

## Free TV



- Direct distribution to all major free TV broadcast suppliers
- Upcoming release pipelines anticipated to drive further free television distribution revenue



# Key Competitive Advantages

## Scalable Distribution Platform

- Unparalleled distribution capabilities with key retail relationships and output agreements are unmatched outside of the major studios
- Flexible operating structure capable of managing a wide range of films and employing a variety of distribution strategies to maximize revenue and minimize risk

## Risk Mitigating Production Strategy

- Company does not fund development or invest in production, new release titles produced by third party independent producers are acquired and distributed by Millennium
- The Company's focus is on maximizing more predictable ancillary (non-theatrical) revenue streams and on reducing "releasing risk" inherent in wide theatrical release films

## Strength within Retail platforms

- One of the largest non-studio providers of high quality, commercial feature film content to retailers and digital platforms
- The Company's ability to customize and program high quality product offerings for each retailer and platform increases the "stickiness" of the Company's distribution relationships with retailers and platforms

## Upcoming Product Pipeline

- The Company's 2014 release slate is fully contracted with 25 titles and continues recent trends of significantly higher quality cast driven product
- The Company's network of independent producers gives Millennium access to product early in the development cycle, allowing the Company to program offerings for specific audience sectors and with long lead times

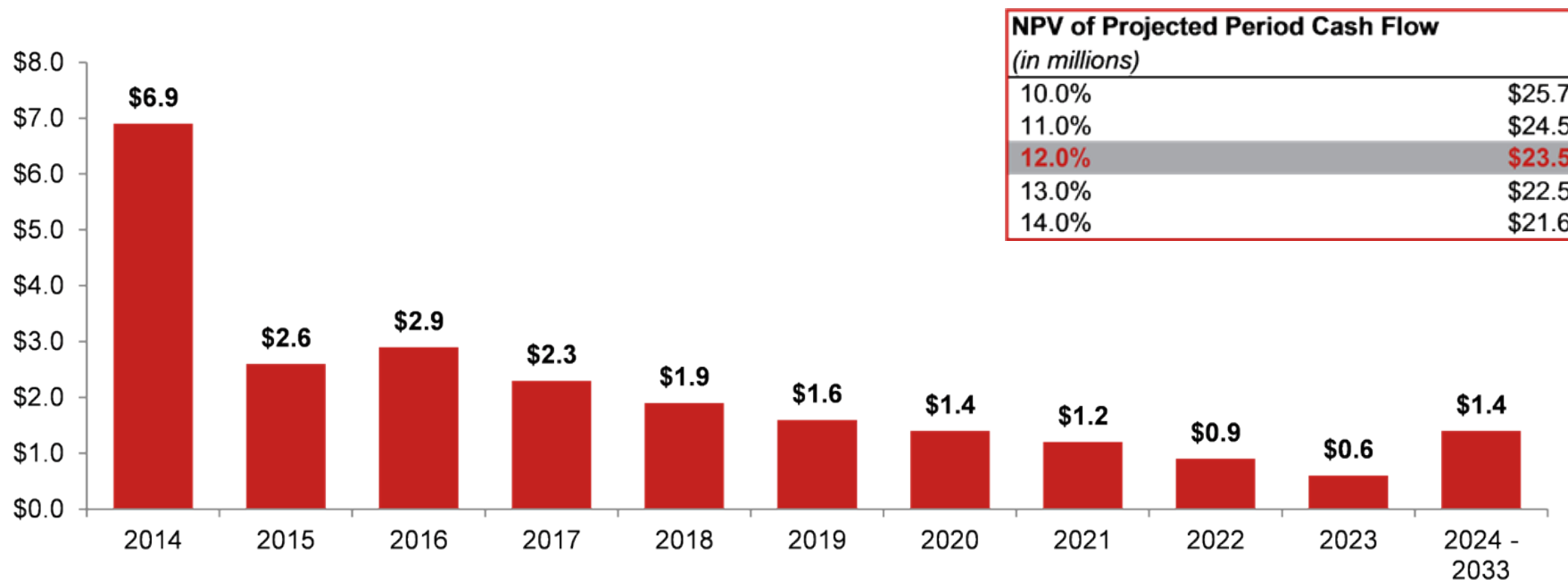
## Presence within Growing Digital Market

- Existing film Library of 600+ titles is highly valuable as content distributors (Netflix, Amazon) seek to expand product offerings and expand to new worldwide territories
- Flexibility to actively engage in new output agreements with digital platforms free of existing commitments to networks or traditional providers



# The Millennium Entertainment Library

- The below valuation was completed in March 2014 and was independently performed by Salem Partners
- The analysis assumes a midpoint valuation of \$23.5 million and excludes eligible receivables included in the Company's borrowing base
- Projected cash flows exclude un-released content and prepaid minimum guarantee amounts
- The NPV analysis represents the discounted cash flow of the library based on industry standard decay rates and a 12% discount rate



# Performance of Recent Highlight **TBU – Updated Highlights**

Bernie



Iceman



Stolen



Killing Season



Released:	2012	2013	2013	2013
Director:	Richard Linklater	Ariel vromen	Simon West	Mark Steven Johnson
Cast:	Jack Black, Shirley MacLaine, Matthew McConaughey	Michael Shannon, Chris Evans, James Franco	Nicolas Cage, Malin Akerman, Josh Lucas	Robert De Niro, John Travolta, Milo Ventimiglia
Plot:	In small-town Texas, the local mortician strikes up a friendship with a wealthy widow, though when he kills her, he goes to great lengths to create the illusion that she's alive	The true story of Richard Kuklinski, the notorious contract killer and family man. When finally arrested in 1986, neither his wife nor daughters have any clue about his real profession.	A former thief frantically searches for his missing daughter, who has been kidnapped and locked in the trunk of a taxi.	Two veterans of the Bosnian War -- one American, one Serbian -- find their unlikely friendship turn tense with one of them reveals their true intentions.
MG:	\$2.5 million	\$3.0 million	\$2.5 million	\$4.0 million
P&A:	\$4.6 million	\$4.0 million	\$0.5 million	\$0.8 million
Box office:	\$9.2 million	\$2.0 million	\$304 thousand	\$40 thousand





# Film Pipeline

TBU – Updated Pipeline / Box Art



**Release Dates**  
Theatrical – 11/2013  
DVD – 01/2014



**Release Date**  
DVD – 01/2014



**Release Date**  
DVD – 01/2014



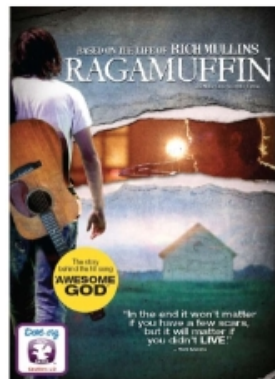
**Release Dates**  
VO – 10/2013  
DVD – 01/2014



**Release Dates**  
Theatrical – 01/2014  
DVD – 02/2014



**Release Date**  
DVD – 03/2014



**Release Date**  
DVD – 05/2014



**Release Date**  
DVD – 06/2014



**Release Dates**  
Theatrical – 03/2014  
DVD – 06/2014



**Release Dates**  
Theatrical – 04/2014  
DVD – 08/2014



**Release Dates**  
Theatrical – 08/2014  
DVD – 09/2014



# Film Pipeline

TBU – Updated Pipeline / Box Art



Trapped

## Release Dates

Theatrical – 05/2014  
DVD – 08/2014



Release Date  
DVD – 09/2014



Release Date  
2014



Killing Winston Jones

Release Date  
DVD – 07/2014



Ping Pong Summer

Release Dates  
Theatrical – 06/2014  
DVD – 08/2014



Release Dates  
Theatrical – 07/2014  
DVD – 08/2014



Release Date  
DVD – 09/2014



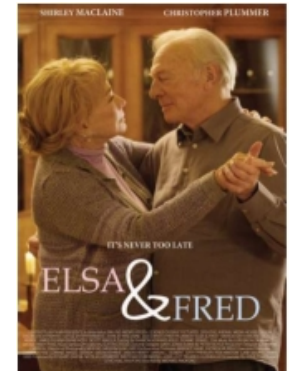
Release Dates  
Theatrical – 09/2014  
DVD – 10/2014



Release Dates  
Theatrical – 07/2014  
DVD – 10/2014



Release Date  
2014



Release Dates  
Theatrical – 09/2014  
DVD – 12/2014



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# Risk Mitigating Strategy

- The Company acquires high quality, commercially viable feature films on a risk managed basis
- Millennium avoids any production and development expenses through acquiring titles once completed, avoiding 100% of the risks associated with producing new filmed entertainment content
- Film content released theatrically on a limited basis; wider releases pursued for selected titles in the event initial results support further demand

Risk Evaluating Summary	Traditional Studio	Millennium Entertainment
Development spending	High	<div data-bbox="1110 526 1412 651">No Risk</div> <div data-bbox="1412 526 1823 651"> <ul style="list-style-type: none"> <li>▪ Millennium Entertainment does not finance any film development expenditures</li> </ul> </div>
Fixed cost production overhead	High	<div data-bbox="1110 669 1412 793">No Risk</div> <div data-bbox="1412 669 1823 793"> <ul style="list-style-type: none"> <li>▪ All production costs outsourced, all overhead focused on distribution efforts</li> </ul> </div>
Production execution risk	High	<div data-bbox="1110 812 1412 936">No Risk</div> <div data-bbox="1412 812 1823 936"> <ul style="list-style-type: none"> <li>▪ Films acquired immediately prior to release at completion</li> </ul> </div>
Recoupment of market expenses	High	<div data-bbox="1110 955 1412 1079">Minimal Risk</div> <div data-bbox="1412 955 1823 1079"> <ul style="list-style-type: none"> <li>▪ Most films distributed theatrically with minimal P&amp;A expenses</li> </ul> </div>
Recoupment of film cost	High	<div data-bbox="1110 1098 1412 1222">Minimal Risk</div> <div data-bbox="1412 1098 1823 1222"> <ul style="list-style-type: none"> <li>▪ Millennium only has to recoup minimum guarantee expense</li> </ul> </div>



# Disciplined Investment Strategy

## Portfolio Approach to Film Making

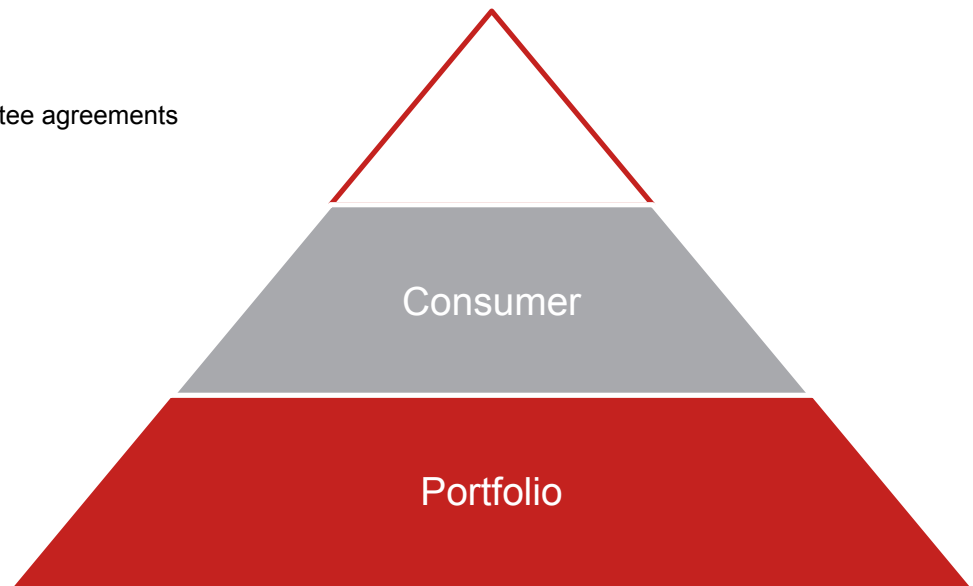
- Approximately 20-30 new titles released per year
- No one film investment constitutes more than 15% of the Company's 2014 budget
- Films theatrically released when market research and demand warrants wider releases

## Consumer Focused

- The Company's consumer-centric offerings include high demand product with well known talent
- Direct access to key data and market demographic research provided by retailers
- Films acquired with proven and marketable stars attached to features

## Risk Mitigation

- Films acquired at completion
- No direct development or production exposure
- Films acquired under structured minimum guarantee agreements





# New Release and Acquisition Strategy

**Millennium Entertainment engages in a risk / reward focused new release and acquisition strategy that analyzes each new content investment for defined and targeted returns**

- Significant amount of content acquisitions structured as risk mitigating minimum guarantee structures
- Direct feedback from key retailers and output distribution partners allows the Company to provide consumers with product directly correlated to specific market research studies and consumption data
- Market demand carefully analyzed prior to investment in P&A expenses for theatrically released films

Branded Content	Consumer Centric	Return Focused	Theatrical Releases
<ul style="list-style-type: none"> <li>▪ Focused effort on developing a proprietary network of producers that provide a steady flow of high quality, commercial films</li> <li>▪ Strong relationships with Nu-Image, Informat Media and Exclusive Media, three of the industries most prolific independent producers</li> <li>▪ First look agreement with Nu-Image for select films through 2018</li> </ul>	<ul style="list-style-type: none"> <li>▪ The Company identifies and targets the most marketable film genres, both overall and seasonally</li> <li>▪ Millennium increases consumer awareness for its films by requiring a minimum of two marketable acting names, a strong ensemble cast, as well as well-known and marketable directors</li> </ul>	<ul style="list-style-type: none"> <li>▪ Analytical approach to the business</li> <li>▪ Target a return on investment of between 30% and 50% for invested capital for acquisitions with a minimum guarantee</li> <li>▪ Target a return on investment of between 60% and 90% for titles with no minimum guarantee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Selectively release between 10-20 titles theatrically on an annual basis after performing market based risk/reward analysis</li> <li>▪ Manage theatrical releasing expenses by allowing a title to gain traction before spending significant marketing expenditures</li> <li>▪ Directly work with exhibitors to negotiate box office splits, dates and screen counts</li> </ul>



# Greenlight Strategy

1

## Greenlight team core responsibility areas

- Product considerations, competitive considerations, financial analysis, revenue consideration, cost consideration and risk / reward consideration

2

## Select prospective films to start greenlight process

- Product considerations: target audience, director track record, talent track record, writer track record, quality of script and genre and demographics

3

## Formal greenlight meeting required prior to film acquisitions

- All team members discuss: box office potential, dvd potential, risk itemization and upside potential among other key areas

4

## Review Process

- Acquisitions – presents a one page executive summary with:
  - Detail comp assumptions, key observations and financial model assumptions
- Finance – presents low, medium and high draft P&Ls with supporting assumptions and ROI / Discounted ROI analysis

5

## Senior executives involved in all negotiations with film makers

- Executive approval and sign-off required to move forward with negotiations; If MG is greater than \$1 million, board approval is also required
- Draft P&L is approved to negotiate with film makers
- Acquisition lead moves forward to negotiate with film makers

6

## Final Executive Approval

- Acquisition lead presents the final draft P&L with supporting assumptions for executive approval
  - Executive approval and sign-off required for final approval; If MG is greater than \$1 million, board approval is also required



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# Summary Terms and Conditions

## Summary of Senior Secured Terms

<b>Borrower:</b>	Millennium Entertainment LLC ("Millennium" or the "Borrower")
<b>Guarantors:</b>	Millennium Acquisition, Inc. ("Holdco") and all existing and future direct and indirect domestic and foreign subsidiaries of the Borrower (collectively, the Borrower and the Guarantor(s), the "Loan Parties")
<b>Sole Lead Arranger:</b>	SunTrust Robinson Humphrey ("STRH")
<b>Administrative Agent:</b>	SunTrust Bank
<b>Use of Proceeds:</b>	(a,b) (i) financing the payment due at closing in connection with the purchase of 100% of the LLC interests of the Borrower by Holdco, (ii) refinancing existing indebtedness of the Borrower, (iii) paying related transaction fees and expenses, and (iv) financing ongoing working capital needs and capital expenditures of the Borrower
<b>Facilities:</b>	(a) Up to \$20,000,000 Senior Secured Revolving Credit Facility (the "Revolver") (b) <u>Up to \$20,000,000 Senior Secured Term Loan (the "Term Loan")</u> Up to \$40,000,000 Total Senior Secured Facilities
<b>Max. Funded Debt at Close:</b>	\$27,000,000
<b>Accordion:</b>	\$15,000,000
<b>Maturity Date:</b>	(a,b) 4 years from closing
<b>Security:</b>	Perfectured first priority lien on all assets and pledge of stock of Borrower and Subsidiaries
<b>Amortization:</b>	(a) N/A (b) Year one: 10.0%; 15.0% per annum thereafter, with balance due at maturity
<b>Availability:</b>	Availability governed by a borrowing base
<b>Pricing:</b>	(a,b) L + 400.0 bps
<b>Unused Fee:</b>	(a) 50.0 bps for Revolver
<b>Excess Cash Flow Sweep:</b>	(b) 50% ECF Sweep beginning fiscal year-end 2015
<b>Borrowing Base:</b>	(b) Borrowing Base shall be tested monthly and prior to each draw of the Revolver (details on slide 26)
<b>Financial Covenants:</b>	- Minimum Fixed charge coverage ratio of 1.30x - Minimum Liquidity ratio of 1.10x (Forward looking next 12 month projected known sources of liquidity / forward looking next 12 month projected known uses of liquidity) - Min. EBITDA of \$9,900,000 during 2014; \$10,200,000 during 2015; \$11,700,000 during 2016; and \$12,000,000 during 2017
<b>Restrictive Covenants:</b>	Max. Capital Expenditures of \$1,000,000 per annum Max. Overhead Expenses of \$17,500,000 per annum Max. Aggregate Film Investment of \$30,000,000 in 2014; \$33,000,000 in 2015; \$36,300,000 in 2016; \$40,000,000 in 2017; and \$44,000,000 in 2018 Max. Investment per film of \$5,000,000 Max. P&A Expenditure per film of \$5,000,000 (with one exception up to \$10,000,000 per year)
<b>Library Valuation:</b>	New library valuation submitted prior to closing of Facilities and required annually thereafter; both Valuation Firm and Methodology must be acceptable to the Administrative Agent



# Borrowing Base Overview

## Borrowing Base Structure

- Senior credit facilities availability will be governed by a risk mitigating borrowing base comprised of known and contracted values without the reliance on unreleased filmed entertainment content
- Facilities outstandings tested monthly against the borrowing base and prior to each facilities draw

## Illustrative Borrowing Base Analysis

Borrowing Base Calculation	Advance Rate	
Eligible Receivables	50% - 95%	<ul style="list-style-type: none"> <li>Receivables eligibility and advance rates governed by credit quality of retailers, free and pay-tv distributors and streaming providers</li> </ul>
+		
Netflix Receivable	95%	<ul style="list-style-type: none"> <li>Netflix pre-buy and % of box office contracts</li> </ul>
+		
Theatrical Rentals	80%	<ul style="list-style-type: none"> <li>Theatrical rentals from Millennium distributed content</li> </ul>
+		
Library Value	40% <sup>1</sup>	<ul style="list-style-type: none"> <li>Library value reflects a forward looking discounted cash flow analysis for the Company's 1<sup>st</sup> cycle released ultimates and 2<sup>nd</sup> cycle values</li> </ul>
-		
Applicable Reserve	N/A	<ul style="list-style-type: none"> <li>Borrowing base reduced for returns, participation and residual reserve, and minimal P&amp;A spend for Netflix pre-buys</li> </ul>
<hr/>		
Total Borrowing Base		<ul style="list-style-type: none"> <li>Availability helps finance minimum guarantee payments, P&amp;A expenses and general working capital</li> </ul>

<sup>1</sup> Initial Library Value advance rate is 40% with step-downs to 30% by FYE 2016



# Opening Borrowing Base Calculation

## Availability at Close

Category	Gross Amount	Advance Rate	Net Amount <sup>(1)</sup>
Primary Major A/R	\$17,640,047	95.0%	\$11,620,838
Secondary Major A/R	6,446,266	90.0%	4,187,762
Non-Major A/R	6,924,207	80.0%	3,479,645
Minor A/R	986,403	50.0%	302,732
Netflix Contract	5,967,391	95.0%	4,245,570
Eligible Library Amount	23,500,000	40.0%	9,400,000
Theatrical Rentals	1,260,339	80.0%	957,858
<b>Total Borrowing Base</b>			<b>\$34,194,405</b>

## Outstanding Debt

## Amount at Close

Term Loan	\$20,000,000
Revolver	7,929,305
<b>Total Outstanding Debt</b>	<b>27,929,305</b>
<b>Excess Borrowing Base Capacity</b>	<b>\$6,265,100</b>

## Revolver Availability

## Amount

Max. Revolver Availability	\$20,000,000
Revolver Outstanding at Close	\$7,929,305
<b>Excess Revolver Capacity</b>	<b>\$12,070,695</b>
<b>Excess Borrowing Base Capacity</b>	<b>\$6,265,100</b>
<b>Excess Revolver Availability (lesser of Revolver Capacity and Borrowing Base Capacity)</b>	<b>\$6,265,100</b>

<sup>(1)</sup> Net Amount includes reserves for returns, participations and residuals, and minimum P&A spend for Netflix pre-buys



# Key Credit Highlights

## Highly Structured Facilities

- Availability governed by a risk mitigating borrowing base structure and tested monthly; and prior to each Revolver draw
- Underlying collateral, library value, reassessed during regular reporting periods and tested for historical cash flow variances

## Consistent Cash Flow from Library Assets

- Significant near term cash receipts from high quality account obligors projected during the transaction term
- Majority of projected cash flow from predictable and recurring revenue streams with existing distribution relationships in place

## Low Risk Production Model

- Films acquired once fully completed (i.e. no film production risk)
- Company does not take any production or development risk and provides producers with minimum guarantees prior to the production process

## Efficient Distribution Network

- Leading distributor of domestic filmed entertainment content
- No legacy constraints — able to maximize digital revenue with full flexibility and creatively
- One of the largest non-studio providers of high quality, commercial feature film content to retailers and digital platforms

## Experienced Management Team

- Significant entertainment industry experience and a proven ability to successfully manage existing library assets to drive enhanced value
- Strong track record of creating new content through low/no risk production model
- Consistent ability to secure new and creative distribution relationships



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# Model Assumptions

## New Film Release Slate

	2014	2015	2016	2017	2018
Theatrical	18	14	17	17	18
Direct To Video	9	6	7	8	7
<b>Total</b>	<b>27</b>	<b>20</b>	<b>24</b>	<b>25</b>	<b>25</b>

## New Film Releases

- Individual titles forecast through the creation of film ultimates built utilizing historic digital and sell thru rates as well as box office assumptions for theatrically released pictures based on comparative release titles
- Film ultimate cash flows spread over a timing grid for a period of 10 years

## Millennium Film Catalogue

- The Millennium Entertainment film catalogue is comprised of over 600 owned titles released between 2005 and 2012
- Films titles included in the catalogue decline at an annual rate of ~15% per year and include receipts from home entertainment and digital revenue windows

## Cable and TV Licensing

- The Company has continued to release greater levels of star driven content theatrically and direct to video. As a result, Millennium projects increased receipts from the television distribution window
- Millennium began licensing 2013 new release content to domestic TV channels and expects to receive \$ 5MM through 2016

## MMS

- Analysis assumes no significant additions to the existing Millennium Entertainment MMS catalogue
- Existing titles distributed through contract term

## SG&A

- SG&A created through the buildup of a 2014 base line budget year
- Each year increases by 5% on an annual basis



# Millennium Entertainment Financial Model

## Direct Cash Flow Analysis

Statement of Cash Flows (\$ thousands)	5 Months Ended	Full Year Ending			
	12/31/2014	2015	2016	2017	2018
Theatrical	935	3,820	3,677	3,569	3,480
Home Video	22,945	34,661	41,441	41,181	42,432
Digital	3,783	18,232	19,639	25,232	31,671
Television	2,866	13,181	12,855	21,493	24,815
Other/Foreign/Slate Reserve	175	-	-	-	-
MMS	3,110	5,175	4,657	4,192	3,772
<b>Total Cash Receipts</b>	<b>33,814</b>	<b>75,069</b>	<b>82,269</b>	<b>95,666</b>	<b>106,171</b>
Less:					
Theatrical P&A	(3,688)	(6,200)	(5,600)	(6,000)	(4,900)
Home Entertainment	(5,438)	(10,929)	(12,106)	(12,559)	(12,999)
Television/Digital	(25)	(120)	(120)	(120)	(120)
Minimum Guarantee Payments	(10,445)	(30,319)	(32,825)	(39,756)	(41,300)
Participation	(5,561)	(7,565)	(6,931)	(8,471)	(14,561)
Residuals	(229)	(744)	(699)	(850)	(992)
<b>Total Cash Expenditures</b>	<b>(25,386)</b>	<b>(55,877)</b>	<b>(58,281)</b>	<b>(67,756)</b>	<b>(74,873)</b>
<b>Gross Profit / (Loss)</b>	<b>8,429</b>	<b>19,192</b>	<b>23,989</b>	<b>27,910</b>	<b>31,298</b>
Less:					
SG&A Expenses	(4,254)	(11,754)	(12,464)	(13,148)	(13,865)
<b>Operating Cash Flow</b>	<b>4,175</b>	<b>7,439</b>	<b>11,524</b>	<b>14,762</b>	<b>17,433</b>
Less:					
Other Expense	(100)	-	-	-	-
Interest Expense	(583)	(1,173)	(1,193)	(952)	(559)
Taxes	(2,921)	(2,851)	(3,934)	(4,040)	(4,417)
Sony Advance	23	(1,360)	(306)	292	(203)
<b>Net Cash Flow</b>	<b>594</b>	<b>2,055</b>	<b>6,091</b>	<b>10,063</b>	<b>12,255</b>

## Balance Sheet (\$ thousands)

	Balance Sheet at Close	2014	2015	2016	2017	2018
Cash	2,000	3,000	3,000	3,000	3,000	7,901
New Term Loan	20,000	19,500	17,250	14,250	9,704	3,173
New Revolver	7,929	8,835	9,131	6,139	723	-
Note Payable - Seller	5,000	5,000	3,333	1,667	-	-
<b>Total Debt</b>	<b>32,929</b>	<b>33,335</b>	<b>29,714</b>	<b>22,056</b>	<b>10,427</b>	<b>3,173</b>

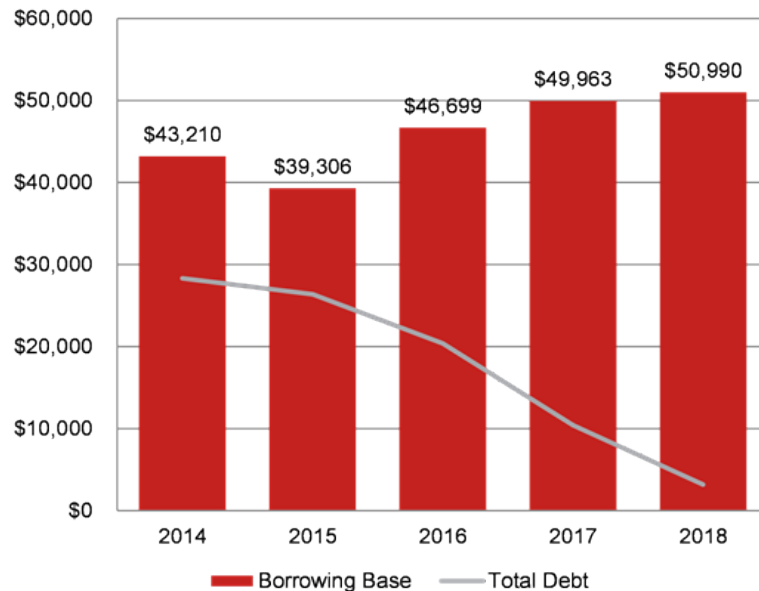


# Asset Coverage

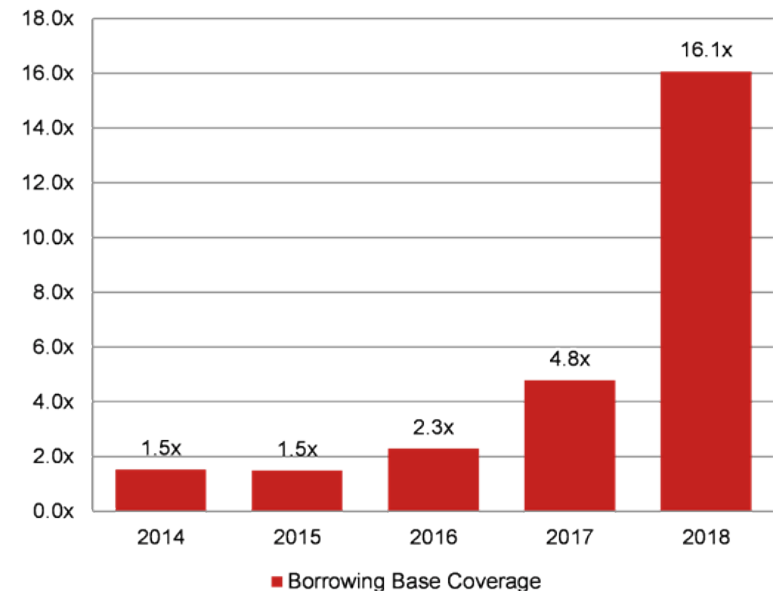
- Amortization and excess cash flow sweeps support deleveraging, with 68.3% of initial outstanding debt being paid down through the end of FYE 2017
- Investment in new content provides for increased borrowing base capacity and is additionally governed by investment covenants to promote free cash flow

## Projected Debt Balance & Borrowing Base

(\$ in thousands)



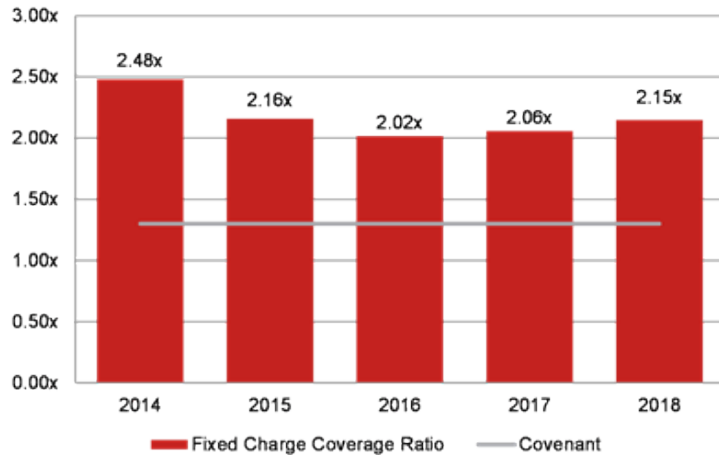
## Projected Borrowing Base / Total Projected Debt



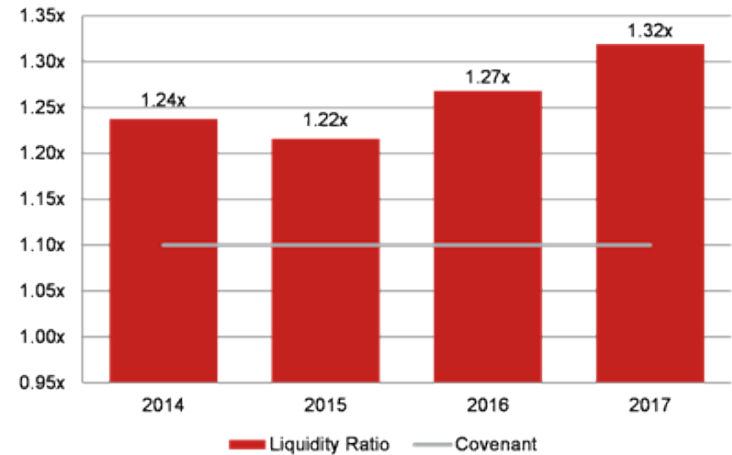


# Covenant analysis

## Fixed Charge Coverage Ratio Analysis

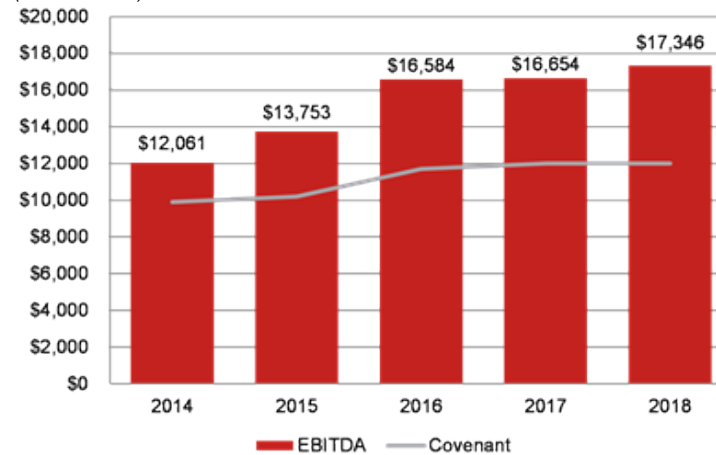


## Liquidity Ratio Analysis



## Minimum EBITDA Analysis

(\$ in thousands)



Note: All dates listed are fiscal year-ends



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# Timeline

July 2014							August 2014						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30

Bank Holiday
  Key Syndication Date

Date	Action														
<b>July 31st</b>	<ul style="list-style-type: none"> <li>- Lenders' Presentation</li> </ul> <table> <tr> <th>Location</th><th>Schedule</th></tr> <tr> <td>Millennium Entertainment 5900 Wilshire Blvd #18 Los Angeles, CA 90036</td><td>9:00 AM PST - Lenders' Presentation / Q&amp;A</td></tr> <tr> <td><i>Dial-In Number:</i></td><td>1-888-566-8143</td></tr> <tr> <td><i>Passcode:</i></td><td>Millennium</td></tr> <tr> <td><i>Call Leader:</i></td><td>Keith Roberts</td></tr> <tr> <td><i>Replay Number:</i></td><td>1-866-379-4225 / Passcode: 3846</td></tr> <tr> <td colspan="2">Replay available until August 15, 2014 at 11:59PM PST</td></tr> </table>	Location	Schedule	Millennium Entertainment 5900 Wilshire Blvd #18 Los Angeles, CA 90036	9:00 AM PST - Lenders' Presentation / Q&A	<i>Dial-In Number:</i>	1-888-566-8143	<i>Passcode:</i>	Millennium	<i>Call Leader:</i>	Keith Roberts	<i>Replay Number:</i>	1-866-379-4225 / Passcode: 3846	Replay available until August 15, 2014 at 11:59PM PST	
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<i>Replay Number:</i>	1-866-379-4225 / Passcode: 3846														
Replay available until August 15, 2014 at 11:59PM PST															
<b>August 11st</b>	<ul style="list-style-type: none"> <li>- Commitments Due from Lenders</li> <li>- Distribute Legal Documentation to Lenders</li> </ul>														
<b>August 15th</b>	<ul style="list-style-type: none"> <li>- Transaction Closing / Funding</li> </ul>														



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- Grady Kendrick, Associate 404.813.2257

\* Denotes Primary Contact



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# Millennium Timeline

## Company History

- The Company was created in March of 2010, and began operations in December 2010 after completing the acquisition of the film library and operating assets of First Look Studios ("First Look"), an independent film distributor that had previously specialized in DVD releases of feature film and television titles. First Look was founded in 1980 as Overseas Filmgroup, Inc., which went public in 1996. First Look acquired the 200-title library of DEJ Productions from Blockbuster in 2005 and the assets of Ventura Distribution in 2006.

